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MARKETING QUOTAS



REFERENDUM JUNE 20, 1958

PA-365

May 1958

U. S. DEPARTMENT OF AGRICULTURE

WHERE IS YOUR CHOICE IN THE WHEAT QUOTA VOTE

If growers approve 1959 wheat quotas—

- Marketing quotas will be in effect in all 38 "commercial" wheat States.
- A farmer who exceeds his acreage allotment will be subject to a quota penalty on his "excess" wheat. (Farmers with 15 acres or less and compliers with feed wheat program are exempted).
- Price support for growers who comply with their allotments will be available at a national average of not less than \$1.81 a bushel (75 percent of estimated parity).

If growers do not approve wheat quotas—

- There will be no marketing quotas or quota penalties for the 1959 crop.
- Acreage allotments will remain in effect for the 1959 wheat crop as a condition of eligibility for price support.
- Price support for growers who comply with their allotments will be available at an average of about \$1.20 a bushel (50 percent of estimated parity, as directed by law).

Wheat growers will decide in a referendum on June 20 whether marketing quotas will be used for their 1959 wheat crop.

The quotas have been proclaimed by the Secretary of Agriculture, as required by law. They will not go into effect, however, unless approved by at least two-thirds of the growers voting in the referendum.

The outcome of the vote will determine the kind of program in effect for the 1959 wheat crop.

WHO CAN VOTE

Farmers eligible to cast ballots in the June 20 referendum are those who would be subject to the wheat quotas if they go into effect.

You can vote in the referendum if you will share in the 1959 wheat crop from a farm in the commercial wheat area on which the wheat acreage to be harvested as grain will be more than 15 acres.

You are not eligible to vote on the 1959 wheat quotas if you signed an application under the feed wheat provision permitting you to grow not more than 30 acres of wheat in 1958 for use only on the farm.

WHEAT STATES

For 1959, wheat allotments and quotas (if approved) will be applicable only in the 38 "commercial" wheat States—those which have allotments over 25,000 acres. The "noncommercial" wheat States are Arizona, Connecticut, Florida, Louisiana,

Maine, Massachusetts, Nevada, New Hampshire, Rhode Island, and Vermont.

QUOTAS—ALLOTMENTS

Marketing quotas must be proclaimed for the next wheat crop when the available supply is more than 20 percent above the "normal" supply. At the time 1959-crop quotas were proclaimed, the total wheat supply for 1958-59 was estimated at 2,017 million bushels—more than 57 percent above normal. Since that time, reports have substantially increased the estimate.

Because of this large supply, the national wheat acreage allotment for the 1959 crop—as for the past four successive crops—has been set at 55 million acres, the minimum provided by controlling legislation. If the allotment had been determined according to the law's supply formula, without regard to the legal minimum, the 1959 allotment would have been 21,375,000 acres.

The vote is on quotas, not allotments. Acreage allotments must be proclaimed for wheat each year except in the event of a national emergency.

QUOTAS AND THE FARM

When quotas are in effect, a farmer may market free of penalty all the wheat produced on his acreage allotment. If he harvests wheat from acreage in excess of his acreage allotment, his "excess" wheat will be subject to a marketing quota penalty.

(Growers, with 15 acres or less of wheat and compliers with the feed wheat program are exempted from marketing quota provisions.) The penalty will be 45 percent of the wheat parity price as of May 1, 1959.

The "farm marketing excess" (the amount of wheat subject to the marketing penalty) is the normal production of the acreage in excess of the farm acreage allotment. If the producer satisfactorily establishes the fact that his actual wheat production was below normal, however, the farm marketing excess may be reduced.

When the penalty is paid on the excess wheat, the producer may market all his wheat production on the farm without further penalty. If the excess is stored or delivered to the Secretary of Agriculture in accordance with special regulations, the producer is free to market the remainder of his wheat production on the farm as he chooses.

PRICE SUPPORT

Current legislation provides that wheat price support shall be available to producers who comply with their farm acreage allotments at a level between 75 and 90 percent of parity when marketing quotas have been proclaimed by the Secretary and approved by growers. The minimum level within this range depends upon the wheat supply at the time the determination is made.

The average support rate for 1959-crop wheat in the commercial area, if quotas are approved, has been set at a minimum national average of \$1.81 per bushel, or 75 percent of the estimated effective parity as of July 1, 1959.

If marketing quotas are not approved by at least two-thirds of those who vote in the June 20 referendum, the 1959 support level available to growers who comply with their farm wheat allotments will be at 50 percent of parity, or about \$1.20 a bushel.

Farmers themselves will make the marketing quota decision in the referendum on June 20, 1958

For further information—

SEE YOUR COUNTY AGRICULTURAL STABILIZATION AND CONSERVATION (ASC) COMMITTEE